

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

IN RE PATENT APPLICATION OF : Dazhi CHEN *et al.*
SERIAL NO. : 09/461,336
FILING DATE : December 15, 1999
ART UNIT : 3627
EXAMINER : A.M. SHEIKH
FOR : SYSTEM AND METHOD FOR REDUCING EXCESS CAPACITY FOR
RESTAURANTS AND OTHER INDUSTRIES DURING OFF-PEAK OR
OTHER TIMES

APPEAL BRIEF UNDER 37 C.F.R. § 41.37

Mail Stop APPEAL BRIEF - Patents

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

In response to the Office Action mailed **February 2, 2012** ("Office Action"), and further to the Notice of Appeal filed **May 2, 2012**, Appellants respectfully submit an Appeal Brief pursuant to 37 C.F.R. § 41.37.

The Director is authorized to charge the fee for filing an Appeal Brief pursuant to 37 C.F.R. § 41.20(b)(2). The Director is further authorized to charge any additional fees that may be due, or credit any overpayment of same to Deposit Account No. 033975 (**Ref. No.** 043311-0313722).

REQUIREMENTS OF 37 C.F.R. §41.37

I. 37 C.F.R. § 41.37(c)(1)(i) – REAL PARTY IN INTEREST

The real party in interest is Innovation Management Sciences.

II. 37 C.F.R. § 41.37(c)(1)(ii) – RELATED APPEALS AND INTERFERENCES

There are no related appeals and/or interferences.

III. 37 C.F.R. § 41.37(c)(1)(iii) – STATUS OF CLAIMS

Pending: Claims 1-10, 14-16, 23-33, 133-134, and 136-152 are pending.

Cancelled: Claims 11-13, 17-22, 34-132, 135, and 153-156 have been cancelled without prejudice or disclaimer.

Rejected: Claims 1-10, 14-16, 23-33, 133-134, and 136-152 stand rejected.

Allowed: No claims have been allowed.

On Appeal: The rejection of claims 1-10, 14-16, 23-33, 133-134, and 136-152 are appealed.

IV. 37 C.F.R. § 41.37(c)(1)(iv) – STATUS OF AMENDMENTS

No amendments have been entered subsequent to the Advisory Action Before the Filing of the Appeal Brief, dated May 26, 2011 (“Advisory Action”), which confirmed the entry of the Amendment Under 37 C.F.R. § 1.116, dated May 4, 2011

("Amendment"), which was filed in response to the final Office Action, dated February 4, 2011 ("Final Office Action").

V. 37 C.F.R. § 41.37(c)(1)(v) – SUMMARY OF CLAIMED SUBJECT MATTER

The claimed invention relates to online auctioning of dining incentives posted by restaurants [*see, e.g.*, page 2, lines 5-8], redeemable by auction winners [*see, e.g.*, page 10, lines 4-9] for service during non-peak demand periods [*see, e.g.*, page 2, lines 5-8] for a discount from a predetermined price that non-winners pay [*see, e.g.*, page 14, lines 15-16].

A. INDEPENDENT CLAIMS

1. Claim 1

Claim 1 recites a computer implemented method of using a web-site for reducing excess capacity during non-peak demand periods for a restaurant [*see, e.g.*, page 11, lines 7-8] that experiences periods of peak demand and periods of non-peak demand [*see, e.g.*, page 2, lines 5-8]. The method comprises the steps of: providing a computer-implemented processing system comprising a plurality of modules; providing an auction posting module for enabling one or more restaurants to post on the web-site dining incentives for auction [*see, e.g.*, page 25, lines 15-17], the dining incentives comprising a first dining incentive having restrictions comprising valid dates and times for use of the first dining incentive [*see, e.g.*, page 8, lines 6-22], the restrictions corresponding to a non-peak demand period of a restaurant offering the first dining incentive to reduce excess capacity of that restaurant during the non-peak demand period [*see, e.g.*, page 13, line 22 – page 14, line 8]; providing an auction display module [*see, e.g.*, page 19, lines 17-23] for displaying options to enable users to place bids on dining incentives, including the first dining incentive [*see, e.g.*, page 2, lines 5-8], for auction or to purchase the dining incentives at fixed prices independent of the auctions without participating in the auctions [*see, e.g.*, page 9, lines 1-8]; processing a request for a fixed price purchase of the first dining incentive responsive to receipt of a

request from a purchaser for a fixed price purchase of the first dining incentive [*see, e.g.*, page 10, lines 1-11, page 7, lines 14-21, and/or page 28, lines 10-11]; processing auction bids, at the conclusion of auctions, to determine auction winners for auctioned dining incentives [*see, e.g.*, page 20, lines 1-2] such that responsive to conclusion of an auction of the first dining incentive an auction winner for the first dining incentive is determined; and providing the first dining incentive to the purchaser or the auction winner [*see, e.g.*, page 20, lines 2-9], wherein the first dining incentive is redeemable [*see, e.g.*, page 10, lines 4-5] for service from the restaurant offering the first dining incentive during the non-peak demand period for a discount from a predetermined price, subject to the restrictions, and non-winners and non-purchasers pay the predetermined price without the discount during the non-peak demand period [*see, e.g.*, page 14, lines 15-16 and page 15, lines 10-11].

2. Claim 133

Claim 133 recites a computer implemented method of using a web site for reducing excess capacity during non-peak demand periods for restaurants [*see, e.g.*, page 11, lines 7-8] that experience periods of peak demands and periods of non-peak demands [*see, e.g.*, page 2, lines 5-8] for a service that is offered at a predetermined price [*see, e.g.*, page 2, lines 8-10]. The method comprises the steps of: providing a computer-implemented processing system comprising a plurality of modules; providing an auction posting module for enabling one or more of the restaurants to post on the web site a listing of at least one discounted gift certificate being offered for sale [*see, e.g.*, page 25, lines 15-17], including restrictions comprising valid dates and times for use of the at least one discounted gift certificate [*see, e.g.*, page 8, lines 6-22], the restrictions corresponding to a non-peak demand period of a restaurant to reduce excess capacity of that restaurant during the non-peak demand period [*see, e.g.*, page 13, line 22 – page 14, line 8]; and providing an auction display module [*see, e.g.*, page 19, lines 17-23] for displaying options to enable users to place a bid [*see, e.g.*, page 2, lines 5-8] on the at least one discounted gift certificate for auction and being determined a winner [*see, e.g.*, page 20, lines 1-2], or to purchase the one or more discounted gift certificates at a fixed price independent of the auction via an instant purchase feature

without participating in the auction [*see, e.g.*, page 9, lines 1-8]; and providing the at least one discounted gift certificate to a purchaser or the auction winner [*see, e.g.*, page 20, lines 2-9], wherein the discounted gift certificates are redeemable [*see, e.g.*, page 10, lines 4-5] for the service from a corresponding one of the one or more restaurants during the non-peak demand period for a discount from the predetermined price, subject to the restrictions [*see, e.g.*, page 14, lines 15-16 and page 15, lines 10-11].

B. DEPENDENT CLAIMS ARGUED SEPARATELY

1. Claim 4

In some embodiments, the step of displaying options to enable users to place bids on dining incentives for auction or to purchase the dining incentives at fixed prices without participating in the auction includes a registration process where each of the one or more users provides identification, demographic and service preference information [*see, e.g.*, page 2, lines 11-13 and page 14, lines 14-20].

2. Claim 10

In some embodiments, a user can create a personalized auction page where the user creates an auction list comprising a list of one or more auctions of interest and monitors the one or more auctions of interest on the auction list [*see, e.g.*, page 5, lines 14-22 and page 20, line 20 – page 21, line 2].

3. Claim 26

In some embodiments, bidding data and user information are aggregated and provided to the one or more restaurants to be used for at least one of: targeted marketing or promotions [*see, e.g.*, page 15, lines 2-5].

4. Claim 32

In some embodiments, the method of claim 1 further comprises the step of enabling the winner and the one or more purchasers to download the item for redemption from the web-site or via electronic mail [*see, e.g.*, page 10, lines 1-4].

5. **Claims 147-148**

In some embodiments, the user must register with the web site prior to bidding on or purchasing a gift certificate and provide identification and demographic information [*see, e.g.*, page 2, lines 11-13].

VI. **37 C.F.R. § 41.37(c)(1)(vi) – GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL.**

Claims 1-9, 14-16, 23-25, 27-33, 133-134, and 136-146 currently stand rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,803,500 to Mossberg ("Mossberg") in view of U.S. Patent No. 5,909,673 to Gregory ("Gregory"), in further view of U.S. Patent No. 5,903,874 to Leonard *et al.* ("Leonard"), and in still further view of U.S. Patent No. 5,845,265 to Woolston ("Woolston"). Claims 10, 26, 32, and 147-148 currently stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Mossberg in view of Gregory, in further view of Leonard, in still further view of Woolston, and still further in view of Examiner's Official Notice. Claims 149-152 currently stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Mossberg in view of Gregory, in further view of Leonard, in still further view of Woolston, and still further in view of U. S. Patent No. 6,112,181 to Shear *et al.* ("Shear"). These rejections constitute legal error, and should be reversed upon review.

VII. **37 C.F.R. § 41.37(c)(1)(vii) – ARGUMENT**

A. **35 U.S.C. § 103(a) rejection based on Mossberg, Gregory, Leonard, and Woolston.**

1. **Claim 1**

The rejection of claim 1 constitutes legal error and must be reversed at least because the proposed combination of Mossberg, Gregory, Leonard, and Woolston does not teach or suggest all of the claimed features. For example, the proposed combination does not teach or suggest (a) auctioning dining incentives on a web-site,

(b) auctioning a discount from a predetermined price at a restaurant, and/or (c) enabling one or more restaurants to post on the web site dining incentives for auction.

- a. The Office Action Fails To Demonstrate That The Cited References Teach Or Suggest Auctioning Dining Incentives On A Web-Site.

Claim 1 recites *inter alia* the following features, which are not taught or suggested in the cited sections of Mossberg, Gregory, Leonard, and Woolston:

...enabling one or more restaurants to post on the web-site **dining incentives for auction**...

By way of non-limiting example, dining incentives may include gift certificates usable during a predetermined period of time, for example, corresponding to a known off-peak period [of the restaurant]. See, *e.g.*, page 2, lines 5-8 of the Specification as originally filed:

Another object of the invention is to provide a website that enables a restaurant to auction gift certificates usable during a predetermined period of time (for example, corresponding to a known off-peak period) to enable customers or potential customers to bid on these certificates.

i. Cited Sections Of Mossberg.

In rejecting claim 1, the Office Action alleges that Mossberg teaches the features of claim 1 reproduced above. Specifically, the Office Action cites Mossberg at column 3, lines 44-47, 49-54, and 57-61 [Office Action, 5].

At column 3, lines 44-54, Mossberg appears to teach (1) that auctions may include a live auction, a silent auction, or a combination of the two [Mossberg, col. 3, lines 44-47]; and (2) that auctions may be conducted for charities and/or for-profit [Mossberg, col. 3, lines 47-54].

In pertinent part, column 3 of Mossberg further states:

As used in this specification, an auction item may include a tangible good or group of goods or a

certificate entitling the bearer to specific goods or services, or any combination thereof. Further, more than one unit of certain auction items may be made available for sale, such as a set of invitations to a dinner. Bidders may purchase such a multi-unit item by signing up to pay the fixed price.

Mossberg, column 3, lines 57-63

The Office Action affirmatively represents that the “set of invitations to a dinner” described in this section of *Mossberg* are “dining incentives” [Office Action, 5]. This is the sole basis upon which the Office Action alleges that the cited references teach or suggest auctioning “dining incentives.”

ii. *The Sections Of Mossberg Relied On In The Office Action Do Not Teach Or Suggest Auctioning Dining Incentives On A Web-Site.*

The rejection of claim 1 constitutes legal error and must be reversed at least because the invitations to a dinner described in the relied upon sections of *Mossberg* do not teach or suggest “*dining incentives*”. Dinner invitations are different than dining incentives for a variety of reasons.

For example, an invitation to a meal merely provides the recipient with an opportunity to attend a meal. In the context of the auction described in *Mossberg* (*e.g.*, for a charity), presumably the invitation provides admittance for the winner of the auction to a social situation the winner would not otherwise be able to access. By contrast, a dining incentive, such as the dining incentives recited in claim 1, provide a financial benefit to the auction winner for actually dining at the incentive-issuing restaurant.

The Office Action does not rely on any of the other cited references for a teaching of auctioning dining incentives [Office Action, 6-9]. Therefore, the Office Action fails to demonstrate that the proposed combination of *Mossberg*, Gregory, Leonard, and Woolston teaches or suggests the features of claim 1 reproduced above. For at least this reason the rejection of claim 1 (and its dependent claims) under 35 U.S.C. § 103(a) constitutes legal error and must be reversed.

- b. The Proposed Combination Of Mossberg, Gregory, Leonard, and Woolston Does Not Teach Or Suggest Auctioning A Discount From A Predetermined Price At A Restaurant.

Claim 1 recites *inter alia* the following features, which are not taught or suggested in the cited sections of Mossberg, Gregory, Leonard, and Woolston:

...responsive to conclusion of an auction of the first dining incentive an auction winner for the first dining incentive is determined ... wherein the first dining incentive is **redeemable** for service from the restaurant offering the first dining incentive during the non-peak demand period **for a discount** from a pre-determined price ...

By way of non-limiting example, the winner of the auction may receive a discount equal to the dining certificate. See, *e.g.*, page 28, lines 17-18 of the Specification as originally filed.

i. Cited Sections Of Mossberg.

The Office Action acknowledges that Mossberg does not teach or suggest the features of claim 1 reproduced above [Office Action, 5].

ii. Cited Sections Of Gregory.

In rejecting claim 1, the Office Action alleges that Gregory teaches that “one or more restaurants create/customize coupon/certificate for specific locations.” [Office Action, 6]

Gregory appears to teach a system in which coupons are distributed to individual stores through a “remote processing station [which] is used to create and print various financial instruments which include money orders, payroll checks, vendor drafts, and gift certificates.” See Abstract, lines 3-5. “Additionally, the system can be used to create and distribute site specific coupons to remote locations.” See Abstract, lines 13-15. There is no teaching or suggestion in Gregory of auctioning the described coupons and the Office Action does not allege that Gregory teaches or suggests the auctioning of the coupons [See Office Action, 6-7].

The coupons described in Gregory appear to include coupons that are targeted to the needs of specific merchants. For example, in pertinent part, the cited sections of Gregory state:

The hardware used to implement the system described above can also be used to distribute site specific coupons. Site specific coupons are coupons targeted to the requirements of individual stores including specific details like the amount of the discount on the coupon, the days and hours the coupon is valid, the location at which the coupon is valid, the expiration date of the coupon, and the product to which the coupon applies. In the prior art method of distributing coupons the needs of individual stores cannot be taken into account. The present invention allows retailers or restaurants to customize coupons for specific locations. For example, if a certain product does not sell well at a particular location a coupon can be distributed that provides a greater discount at that location than the discount provided at other locations.

Gregory, column 6, lines 54-67

iii. *The Sections Of Gregory Relied On In The Office Action Do Not Teach Or Suggest Auctioning A Discount From A Pre-Determined Price At A Restaurant.*

The rejection of claim 1 constitutes legal error and must be reversed at least because the Office Action fails to demonstrate the features of claim 1 reproduced above would have been obvious from the cited references. It is well established that “the examiner bears the initial burden, on review of the prior art or on any other ground, of presenting a *prima facie* case of unpatentability. If that burden is met, the burden of coming forward with evidence or argument shifts to the applicant.”¹ In order to establish a *prima facie* case of unpatentability the Examiner must show that the references teach

¹ *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992) (discussing *In re Piasecki*, 745 F.2d 1468, 1472, (Fed. Cir. 1984)).

or suggest all of the features of the claimed invention.² “[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.”³

As is acknowledged in the Office Action, Mossberg does not teach or suggest auctioning “[a] first dining incentive [that is] **redeemable** for service from the restaurant offering the first dining incentive during the non-peak demand period **for a discount** from a pre-determined price.” The cited sections of Mossberg, at most, teach auctioning invitations to a dinner [Office Action, 5]. The Office Action alleges that Gregory teaches coupons that are redeemable for service from a restaurant for a discount from a predetermined price, and that it would have been obvious to substitute the coupons described in Gregory for the invitations to a meal described in Mossberg.

The only reason given in the Office Action in support of this proposed combination is a “motivat[ion] to combine the teachings in order to provide boosts in profit for restaurants, if a given restaurant location is not doing well” [Office Action, 7]. Under *KSR*, a “motivation” for making a proposed combination is not required. However, in the Office Action the proposed motivation is the only support for the legal conclusion of obviousness that is provided. This motivation is insufficient to support a legal conclusion of obviousness because it is entirely unsupported by the references and the Office Action provides no evidence that such a motivation would have been apparent given the knowledge available in the art at the time the invention was made.

The cited sections of Gregory do not even teach or suggest selling the described coupons in any form. Instead, Gregory focuses primarily on various parameters of the coupons that can be modified prior to being printed. Mossberg, on the other hand, appears to be directed primarily to conducting a silent auction for the benefit of a charity

² *In re Vaecck*, 947 F.2d 488 (Fed. Cir. 1991).

³ *KSR Int'l. Co. v. Teleflex Inc.*, 550 U.S. 398, 127 S.Ct. 1727, 1731, 82 USPQ.2d 1385, 1396 (2007) (stating that it is necessary to determine whether there was an “apparent reason” to combine the known elements in the claimed manner).

[See Mossberg, col. 3, lines 55-57]. Although Mossberg is not necessarily limited to charity auctions, there is no teaching that the auction should be conducted to commercially benefit an offeror of a good or service to be auctioned. Therefore, neither Gregory nor Mossberg supports the alleged motivation provided in the Office Action for the proposed combination. It seems as though the Examiner has plucked the alleged motivation straight from the disclosure of the present application, making the proposed combination nothing more than impermissible hindsight.

The Office Action utterly fails to provide “articulated reasoning with some rational underpinning to support the legal conclusion of obviousness” with respect to the proposed combination of Mossberg and Gregory. Instead, the Office Action provides an alleged motivation for the combination that is not supported by either of the references, or any knowledge demonstrated (or even alleged) in the Office Action as being generally available in the art at the time the invention was made. Therefore, the Office Action fails to demonstrate that the features of claim 1 would have been obvious under § 103. For at least this reason the rejection of claim 1 under § 103 constitutes legal error and must be reversed.

- c. The Proposed Combination Of Mossberg, Gregory, Leonard, and Woolston Does Not Teach Or Suggest Enabling One Or More Restaurants To Post On A Web Site Dining Incentives For Auction.

Claim 1 recites *inter alia* the following features, which are not taught or suggested in the cited sections of Mossberg, Gregory, Leonard, and Woolston:

...enabling **one or more restaurants** to post on the web-site dining incentives for auction...

By way of non-limiting example, providing a web site that enables a restaurant to auction gift certificates is included, *e.g.*, at page 2, lines 4-5 of the Specification as originally filed. The gift certificates may be worth a predetermined amount of credit at the restaurant, redeemable for a percentage amount off of the regular purchase price, and/or redeemable for other financial incentives [See, *e.g.*, page 29, lines 11-17 of the

Specification as originally filed]. Providing the web site to restaurants themselves is significant because it enables the restaurants to control the number of incentives to be auctioned off, as well as various parameters of the incentives (*e.g.*, hours/days they are valid, value, and/or other parameters), and/or parameters of the auctions (*e.g.*, start/end date/time, minimum bid, purchase price, number of incentives to be auctioned, and/or other parameters) [See, *e.g.*, page 19, lines 17-21, page 25, line 20 - page 26, line 1, and/or page 28, line 21 – page 29, line 3 of the Specification as originally filed]. This control enables the restaurants to use the incentives to incentivize dining in precise ways to reduce excess capacity during non-peak hours while minimizing the amount of discounted services that are provided to customers during peak hours [See, *e.g.*, page 14, lines 5-8 of the Specification as originally filed].

i. Cited Sections Of Mossberg, Gregory, and Leonard.

The Office Action acknowledges that Mossberg in view of Gregory and Leonard does not teach or suggest the features of claim 1 reproduced above [Office Action, 8].

ii. Cited Sections Of Woolston.

In rejecting claim 1, the Office Action relies on Woolston to address the acknowledged deficiencies of the other references. It is significant that in relying on Woolston, the Office Action does not affirmatively state that Woolston teaches the features of claim acknowledged to be missing from the combination of Mossberg, Gregory, and Leonard (*i.e.*, “enabling **one or more restaurants** to post on the web-site dining incentives for auction”). Instead, the Office Action states that Woolston teaches “enabling one or more users [, as opposed to restaurants,] to post on the web site a listing of one or more items being offered for sale.” [Office Action, 9]

The cited section of Woolston, at column 5, lines 46-51, appears to teach a user auctioning a good. In pertinent part, column 5 of Woolston states:

For a rare good, a good in a volatile market, or a good's initial posting the consignment node user or

participant may wish to auction the good, with or without reserve, to the highest bidder.

Woolston, column 5, lines 46-51

There is no teaching or suggestion in *Woolston* of **one or more restaurants** posting dining incentives for auction and the Office Action does not allege that *Woolston* teaches or suggests one or more restaurants posting dining incentives for auction. [Office Action, 9-10]

iii. *The Proposed Combination Of References Relied On In The Office Action Does Not Teach Or Suggest Enabling One Or More Restaurants To Post Dining Incentives For Auction On A Web Site.*

The rejection of claim 1 constitutes legal error and must be reversed at least because the auctioning described in the relied upon sections of *Woolston* does not teach or suggest “*enabling one or more restaurants to post on the web site dining incentives for auction*”.

Assuming *arguendo* that Mossberg teaches auctioning dining incentives (Appellants contend Mossberg does not at least for the reasons provided above), Mossberg does not teach or suggest that restaurants post dining incentives for auction to a web site. At best, Mossberg teaches an auction that is run by an organizing entity, and any curating of the auctions, such as posting an auction and/or defining the goods and/or services to be auctioned are performed by this lone entity. [See, e.g., Mossberg, column 2, lines 21-40 and/or column 5, lines 4-13] In fact, the Office Action acknowledges that none of Mossberg, Gregory, and/or Leonard teach or suggest these features.

The cited sections of *Woolston* seems to describe individual users or participants in an electronic market posting (rare) goods for auction. There is no teaching or suggestion in *Woolston* of enabling restaurants to post dining incentives on a web site in the manner recited in claim 1. Instead, *Woolston* appears to be concerned with providing a market for a pool of buyers and sellers of rare items via the Internet, and not

with helping restaurants manage capacity during peak and non-peak hours. In fact, Woolston does not teach or suggest sales of incentives of any kind via Internet auction, much less auctions of incentives by the very merchants providing the incentives [See Woolston, Abstract]. Therefore, the cited sections of Woolston do not teach or suggest the features acknowledged in the Office Action to be missing from the other references. For at least this reason the rejection of claim 1 (and its dependent claims) under § 103 constitutes legal error and must be reversed.

2. **Claim 133**

The rejection of claim 133 constitutes legal error and must be reversed at least because the proposed combination of Mossberg, Gregory, Leonard, and Woolston does not teach or suggest all of the claimed features. For example, the proposed combination does not teach or suggest (a) auctioning discounted restaurant gift certificates on a web site, (b) auctioning a discount from a predetermined price at a restaurant, and/or (c) enabling on or more restaurants to post on the web site a discounted gift certificate for sale.

a. The Office Action Fails To Demonstrate That The Cited References Teach Or Suggest Auctioning Discounted Restaurant Gift Certificates On A Web-Site.

Claim 133 recites *inter alia* the following features, which are not taught or suggested in the cited sections of Mossberg, Gregory, Leonard, and Woolston:

...enabling one or more restaurants to post on the web-site a listing of at least one **discounted gift certificate being offered for sale** ...

By way of non-limiting example, the gift certificates may be usable during a predetermined period of time, for example, corresponding to a known off-peak period [of the restaurant]. See, *e.g.*, page 2, lines 5-8 of the Specification as originally filed:

Another object of the invention is to provide a website that enables a restaurant to auction gift certificates usable during a predetermined period of time (for example, corresponding to a known off-peak period)

to enable customers or potential customers to bid on these certificates.

The winner of the auction may receive a discount equal to the dining certificate. See, *e.g.*, page 28, lines 17-18 of the Specification as originally filed:

The winner may dine at the restaurant and receive a discount equal to the dining certificate for the bill, at step 840.

i. Cited Sections Of Mossberg.

In rejecting claim 133, the Office Action alleges that Mossberg teaches the features of claim 133 reproduced above. Specifically, the Office Action cites Mossberg at column 3, lines 44-47, 49-54, and 57-61 [Office Action, 5].

At column 3, lines 44-54, Mossberg appears to teach (1) that auctions may include a live auction, a silent auction, or a combination of the two [Mossberg, col. 3, lines 44-47]; and (2) that auctions may be conducted for charities and/or for-profit [Mossberg, col. 3, lines 47-54].

In pertinent part, column 3 of Mossberg further states:

As used in this specification, an auction item may include a tangible good or group of goods or a certificate entitling the bearer to specific goods or services, or any combination thereof. Further, more than one unit of certain auction items may be made available for sale, such as a set of invitations to a dinner. Bidders may purchase such a multi-unit item by signing up to pay the fixed price.

Mossberg, column 3, lines 57-63

The Office Action affirmatively represents that the “set of invitations to a dinner” described in this section of Mossberg are “discounted gift certificates” [Office Action, 5]. This is the sole basis upon which the Office Action alleges that the cited references teach or suggest “auctioning discounted gift certificates.”

ii. The Sections Of Mossberg Relied On In The Office Action Do Not Teach Or Suggest Auctioning Discounted Gift Certificates On A Web Site.

The rejection of claim 133 constitutes legal error and must be reversed at least because the invitations to a dinner described in the relied upon sections of Mossberg do not teach or suggest “*discounted gift certificates*”. Dinner invitations are different than discounted gift certificates for a variety of reasons.

For example, an invitation to a meal merely provides the recipient with an opportunity to attend a meal. In the context of the auction described in Mossberg (*e.g.*, for a charity), presumably the invitation provides admittance for the winner of the auction to a social situation the winner would not otherwise be able to access. By contrast, a discounted gift certificate, such as the discounted gift certificate in claim 133, provides a financial benefit to the auction winner for dining at the gift-certificate-issuing restaurant.

The Office Action does not rely on any of the other cited references for a teaching of auctioning discounted gift certificates [Office Action, 6-9]. Therefore, the Office Action fails to demonstrate that the proposed combination of Mossberg, Gregory, Leonard, and Woolston teaches or suggests the features of claim 133 reproduced above. For at least this reason the rejection of claim 133 (and its dependent claims) under 35 U.S.C. § 103(a) constitutes legal error and must be reversed.

b. The Proposed Combination Of Mossberg, Gregory, Leonard, and Woolston Does Not Teach Or Suggest Auctioning A Discount From A Predetermined Price At A Restaurant.

Claim 133 recites *inter alia* the following features, which are not taught or suggested in the cited sections of Mossberg, Gregory, Leonard, and Woolston:

...wherein the discounted gift certificates are **redeemable** for the service from a corresponding one of the one or more restaurants during the non-peak demand period **for a discount** from the pre-determined price ...

By way of non-limiting example, the winner of the auction may receive a discount equal to the dining certificate. See, *e.g.*, page 28, lines 17-18 of the Specification as originally filed.

i. Cited Sections Of Mossberg.

The Office Action acknowledges that Mossberg does not teach or suggest the features of claim 133 reproduced above [Office Action, 5].

ii. Cited Sections Of Gregory.

In rejecting claim 133, the Office Action alleges that Gregory teaches that “one or more restaurants create/customize coupon/certificate for specific locations.” [Office Action, 6]

Gregory appears to teach a system in which coupons are distributed to individual stores through a “remote processing station [which] is used to create and print various financial instruments which include money orders, payroll checks, vendor drafts, and gift certificates.” See Abstract, lines 3-5. “Additionally, the system can be used to create and distribute site specific coupons to remote locations.” See Abstract, lines 13-15. There is no teaching or suggestion in Gregory of auctioning the described coupons. In fact, the Office Action does not even allege that Gregory teaches or suggests the auctioning of the coupons [See Office Action, 6-7].

The coupons described in Gregory appear to include coupons that are targeted to the needs of specific merchants. For example, in pertinent part, the cited sections of Gregory state:

The hardware used to implement the system described above can also be used to distribute site specific coupons. Site specific coupons are coupons targeted to the requirements of individual stores including specific details like the amount of the discount on the coupon, the days and hours the coupon is valid, the location at which the coupon is valid, the expiration date of the coupon, and the product to which the coupon applies. In the prior art method of distributing coupons the needs of individual

stores cannot be taken into account. The present invention allows retailers or restaurants to customize coupons for specific locations. For example, if a certain product does not sell well at a particular location a coupon can be distributed that provides a greater discount at that location than the discount provided at other locations.

Gregory, column 6, lines 54-67

iii. The Proposed Combination Of Mossberg, Gregory, Leonard, and Woolston Lacks A Rational Underpinning.

The rejection of claim 133 constitutes legal error and must be reversed at least because the Office Action fails to demonstrate the features of claim 133 reproduced above would have been obvious from the cited references. Under *KSR*, a rejection under § 103 cannot be sustained by mere conclusory statements. The Examiner must provide an articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.⁴

The only reason given in the Office Action in support of the proposed combination of Mossberg and Gregory is a “motivat[ion] to combine the teachings in order to provide boosts in profit for restaurants, if a given restaurant location is not doing well” [Office Action, 7]. As was demonstrated above, the Office Action does not provide the required “articulated reasoning with some rational underpinning to support the legal conclusion of obviousness” with respect to the proposed combination of Mossberg and Gregory. Therefore, the Office Action fails to demonstrate that the features of claim 133 would have been obvious under § 103. For at least this reason the rejection of claim 133 under § 103 constitutes legal error and must be reversed.

c. The Proposed Combination Of Mossberg, Gregory, Leonard, and Woolston Does Not Teach Or Suggest Enabling One Or More Restaurants To Post On A Web Site A Discounted Gift Certificate For Sale.

⁴ *KSR* at 1731.

Claim 133 recites *inter alia* the following features, which are not taught or suggested in the cited sections of Mossberg, Gregory, Leonard, and Woolston:

...enabling **one or more restaurants** to post on the web-site a listing of at least one discounted gift certificate begin offered for sale ...

By way of non-limiting example, providing a web site that enables a restaurant to auction gift certificates is included, *e.g.*, at page 2, lines 4-5 of the Specification as originally filed. The gift certificates may be worth a predetermined amount of credit at the restaurant, redeemable for a percentage amount off of the regular purchase price, and/or redeemable for other financial incentives [See, *e.g.*, page 29, lines 11-17 of the Specification as originally filed]. Providing the web site to restaurants themselves is significant because it enables the restaurants to control the number of gift certificates to be auctioned off, as well as various parameters of the gift certificates (*e.g.*, hours/days they are valid, value, and/or other parameters), and/or parameters of the auctions (*e.g.*, start/end date/time, minimum bid, purchase price, number of gift certificates to be auctioned, and/or other parameters) [See, *e.g.*, page 19, lines 17-21, page 25, line 20 - page 26, line 1, and/or page 28, line 21 - page 29, line 3 of the Specification as originally filed]. This control enables the restaurants to use the gift certificates to incentivize dining in precise ways to reduce excess capacity during non-peak hours while minimizing the amount of discounted services that are provided to customers during peak hours [See, *e.g.*, page 14, lines 5-8 of the Specification as originally filed].

i. Cited Sections Of Mossberg, Gregory, and Leonard.

The Office Action acknowledges that Mossberg in view of Gregory and Leonard does not teach or suggest the features of claim 133 reproduced above [Office Action, 8].

ii. Cited Sections Of Woolston.

In rejecting claim 133, the Office Action relies on Woolston to address the acknowledged deficiencies of the other references. It is significant that in relying on Woolston, the Office Action does not affirmatively state that Woolston teaches the features of claim 133 acknowledged to be missing from the combination of Mossberg,

Gregory, and Leonard (*i.e.* “enabling **one or more of the restaurants** to post on the web site a listing of at least one discounted gift certificates [sic] being offered for sale.” [Office Action, 8] Instead, the Office Action states that Woolston teaches “enabling one or more users [, as opposed to restaurants,] to post on the web site a listing of one or more items being offered for sale.” [Office Action, 9]

The cited section of Woolston, at column 5, lines 46-51, appears to teach a user auctioning a good. In pertinent part, column 5 of Woolston states:

For a rare good, a good in a volatile market, or a good's initial posting the consignment node user or participant may wish to auction the good, with or without reserve, to the highest bidder.

Woolston, column 5, lines 46-51

There is no teaching or suggestion in Woolston of **one or more restaurants** posting discounted gift certificates for auction and the Office Action does not allege that Woolston teaches or suggests one or more restaurants posting discounted gift certificates for auction.

iii. *Proposed Combination Of References Relied On In The Office Action Does Not Teach Or Suggest Enabling One Or More Restaurants To Post Discounted Gift Certificates For Auction On A Web Site.*

The rejection of claim 133 constitutes legal error and must be reversed at least because the auctioning described in the relied upon sections of Woolston does not teach or suggest “*enabling one or more restaurants to post on the web site a listing of at least one discounted gift certificate being offered for sale*”.

Assuming *arguendo* that Mossberg teaches auctioning discounted gift certificates (Appellants contend Mossberg does not at least for the reasons provided above), Mossberg does not teach or suggest that **restaurants** post gift certificates for auction to a web site. At best, Mossberg teaches an auction that is run by a participating entity,

and the organization of this auction is performed by this lone entity. [See, *e.g.*, Mossberg, column 2, lines 21-40 and/or column 5, lines 4-13] In fact, the Office Action acknowledges that none of Mossberg, Gregory, and/or Leonard teach or suggest these features.

The cited sections of Woolston seems to describe individual users or participants in an electronic market posting (rare) goods for auction. There is no teaching or suggestion in Woolston of enabling restaurants to post discounted gift certificates on a web site in the manner recited in claim 133. Instead, Woolston appears to be concerned with providing a market for a pool of buyers and sellers of rare items via the Internet, and not with helping restaurants manage capacity during peak and non-peak hours. In fact, Woolston does not teach or suggest sales of gift certificates of any kind via Internet auction, much less auctions of gift certificates by the very merchants providing the gift certificates [See Woolston, Abstract]. Therefore, the cited sections of Woolston do not teach or suggest the features acknowledged in the Office Action to be missing from the other references. For at least this reason the rejection of claim 133 (and its dependent claims) under § 103 constitutes legal error and must be reversed.

3. **Claim 4**

The rejection of claim 4 constitutes legal error and must be reversed at least because the proposed combination of Mossberg, Gregory, Leonard, and Woolston does not teach or suggest all of the claimed features. For example, the proposed combination does not teach or suggest (a) a registration process where each of the one or more users provides identification, demographic and service preference information.

- a. The Proposed Combination Of Mossberg, Gregory, Leonard, and Woolston Does Not Teach Or Suggest A Registration Process Where Each Of The One Or More Users Provides Identification, Demographic And Service Preference Information.

Claim 4 recites *inter alia* the following features, which are not taught or suggested in the cited sections of Mossberg, Gregory, Leonard, and Woolston:

...includes a **registration process** where each of the one or more users provides identification, demographic and service preference information.

By way of non-limiting example, the registration process may include providing identification and demographic information. See, *e.g.*, page 2, lines 11-13 and page 14, lines 14-20 of the Specification as originally filed.

i. Cited Sections Of Woolston.

In rejecting claim 4, the Office Action alleges that Woolston teaches the features of claim 4 reproduced above. Specifically, the Office Action cites Woolston, column 12, line 20 – Column 13, line 20 [See, Office Action, 11].

At column 12, line 20 – column 13, line 20, Woolston appears to teach authentication procedures to verify a participant **at a consignment node**. Each consignment node operator, such as a pawnshop operator or shop keeper operates a local consignment node. Multiple consignment nodes are connected in a consignment node network to establish a consignment node market. Woolston is entirely silent with regard to central registration.

ii. The Sections Of Woolston Relied On In The Office Action Do Not Teach Or Suggest A Registration Process.

The web-site recited in claim 4 (and by dependency in claim 1) includes a **centralized** registration process for users who want to place bids on dining incentives from multiple restaurants. Users do not need or want to go through a local registration process for each restaurant whose dining incentives the users may wish to place bids on. In contrast, participants in Woolston's consignment node market have no other choice than to go through authentication procedures at a **local** consignment node. Furthermore, Woolston is silent with regard to demographic and service preference information.

None of the other references address these deficiencies of Woolston. Therefore, the proposed combination of Mossberg, Gregory, Leonard, and Woolston does not

teach or suggest the features of claim 4 reproduced above. For at least this reason the rejection of claim 4 under 35 U.S.C. § 103(a) constitutes legal error and must be reversed.

4. **Claim 10**

The rejection of claim 10 constitutes legal error and must be reversed at least because the proposed taking of Official Notice is improper. Specifically, taking Official Notice of a personalized auction page is improper.

Claim 10 recites *inter alia* the following feature(s):

...wherein a user can create a personalized auction page where the user creates an auction list comprising a list of one or more auctions of interest and monitors the one or more auctions of interest on the auction list.

By way of non-limiting example, a user can monitor one or more auctions of interest through a personalized auction page. See, *e.g.*, page 5, lines 14-22 and page 20, line 20 – page 21, line 2 of the Specification as originally filed.

The Office Action alleges “that is old and well known that many websites allow a user to allow a user [sic] to customize/personalize a given web page for a particular use, use web information as means for targeted marketing/promotion, and/or download data via a website or electronic mail. **This helps by [sic] maximizing the user’s experience based on the collected data.**” (*emphasis added*) [See Office Action, 12].

Firstly, it is to be appreciated that the Examiner attempts to officially notice legal conclusions – namely the implied equivalence of “customize/personalize a given web page” with either the recited personalized auction page in general or the created auction list in specific. Official Notice, however, is only proper for facts. (MPEP § 2144.03).

Official Notice is only permissible for those few facts that are of a “notorious character” and that are “capable of instant and unquestionable demonstration”. (MPEP § 2144.03(A)). It is improper to use Official Notice for conclusions of law.

Secondly, the Office Action relies on Official Notice as the “principal evidence” upon which the rejection of claim 10 is based. Official Notice cannot be used in this manner. As Section 2144.03(A) of the MPEP expressly warns, it is never appropriate to rely solely on Official Notice as the principal evidence upon which a rejection was based. Instead, Official Notice is only appropriate for facts and that serve to “fill in the gaps” in a rejection. (MPEP § 2144.03(A)). This is why official notice is to be judiciously applied. (MPEP § 2144.03). It is unreasonable to conclude that the Office Action has used Official Notice to “fill in” a gap in this rejection.

Thirdly, the Office attempts to take Official Notice of matter that is not “capable of instant and unquestionable demonstration”, as expressly required by section 2144.03(A) of the MPEP. Indeed, even assuming *arguendo* that the implied equivalence with the recited features is a fact, this fact would be neither of notorious character nor instantly and unquestionably demonstrable. Moreover, courts have long rejected the notion that Official Notice can be taken on the state of the art. (See *Memorandum to Patent Examining Corps from the Deputy Commissioner for Patent Examining Policy regarding Procedures for Relying on Facts Which are Not of Record as Common Sense or for Taking Official Notice*, n.6, citing *In re Eynde*, 480 F.2d 1364, 1370, 178 USPQ 470, 474 (CCPA 1973)). Thus, the Office’s attempt to officially notice the level of ordinary skill in the art is improper as a matter of law.

In sum, the Office’s attempts at Official Notice are improper and traversed. Consequently, there are evidentiary gaps in the rejection of at least claim 10 that are fatal to a *prima facie* case of obviousness.

For at least this reason the rejection of claim 10 under § 103 constitutes legal error and must be reversed.

5. Claim 26

The rejection of claim 26 constitutes legal error and must be reversed at least because the proposed taking of Official Notice is improper. Specifically, taking Official Notice of aggregation of bidding data and user information to be used for targeted marketing or promotions is improper

Claim 26 recites *inter alia* the following feature(s):

... wherein bidding data and user information are aggregated and provided to the one or more restaurants to be used for at least one of: targeted marketing or promotions.

By way of non-limiting example, bidding data and user information may be aggregated and provided to the one or more restaurants. See, *e.g.*, page 15, lines 2-5 of the Specification as originally filed.

The Office Action alleges “that is old and well known that many websites allow a user to allow a user [sic] to customize/personalize a given web page for a particular use, use web information as means for targeted marketing/promotion, and/or download data via a website or electronic mail. **This helps by [sic] maximizing the user’s experience based on the collected data.**” (*emphasis added*) [See Office Action, 12].

Firstly, it is to be appreciated that the Examiner attempts to officially notice legal conclusions – namely the implied equivalence of “web information as means for targeted marketing/promotion” with either the recited *aggregation* of bidding data and user information in general or the *provision of aggregated data* to one or more restaurants for targeted marketing and/or promotions in specific. Official Notice, however, is only proper for facts. (MPEP § 2144.03).

Official Notice is only permissible for those few facts that are of a “notorious character” and that are “capable of instant and unquestionable demonstration”. (MPEP § 2144.03(A)). It is improper to use Official Notice for conclusions of law.

Secondly, the Office Action relies on Official Notice as the “principal evidence” upon which the rejection of claim 26 is based. Official Notice cannot be used in this manner. As Section 2144.03(A) of the MPEP expressly warns, it is never appropriate to rely solely on Official Notice as the principal evidence upon which a rejection was based. Instead, Official Notice is only appropriate for facts and that serve to “fill in the gaps” in a rejection. (MPEP § 2144.03(A)). This is why official notice is to be

judiciously applied. (MPEP § 2144.03). It is unreasonable to conclude that the Office Action has used Official Notice to “fill in” a gap in this rejection.

Thirdly, the Office attempts to take Official Notice of matter that is not “capable of instant and unquestionable demonstration”, as expressly required by section 2144.03(A) of the MPEP. Indeed, even assuming *arguendo* that the implied equivalence with the recited features is a fact, this fact would be neither of notorious character nor instantly and unquestionably demonstrable. Moreover, courts have long rejected the notion that Official Notice can be taken on the state of the art. (See *Memorandum to Patent Examining Corps from the Deputy Commissioner for Patent Examining Policy regarding Procedures for Relying on Facts Which are Not of Record as Common Sense or for Taking Official Notice*, n.6, citing *In re Eynde*, 480 F.2d 1364, 1370, 178 USPQ 470, 474 (CCPA 1973)). Thus, the Office’s attempt to officially notice the level of ordinary skill in the art is improper as a matter of law.

In sum, the Office’s attempts at Official Notice are improper and traversed. Consequently, there are evidentiary gaps in the rejection of at least claim 26 that are fatal to a *prima facie* case of obviousness.

For at least this reason the rejection of claim 26 under § 103 constitutes legal error and must be reversed.

6. Claim 32

The rejection of claim 32 constitutes legal error and must be reversed at least because the proposed taking of Official Notice is improper. Specifically, taking Official Notice of enabling the winner to download the item for redemption from the web-site or via electronic mail is improper.

Claim 32 recites *inter alia* the following feature(s):

... enabling the winner...to download the item for redemption from the web-site or via electronic mail.

By way of non-limiting example, an auction winner may download the item for redemption. See, *e.g.*, page 10, lines 1-4 of the Specification as originally filed.

The Office Action alleges “that is old and well known that many websites allow a user to allow a user [sic] to customize/personalize a given web page for a particular use, use web information as means for targeted marketing/promotion, and/or download data via a website or electronic mail. **This helps by [sic] maximizing the user’s experience based on the collected data.**” (*emphasis added*) [See Office Action, 12].

Firstly, it is to be appreciated that the Examiner attempts to officially notice legal conclusions – namely the implied equivalence of “download data via a website or electronic mail” with enabling the (auction) winner to download the item for redemption from the web-site or via electronic mail. Official Notice, however, is only proper for facts. (MPEP § 2144.03).

Official Notice is only permissible for those few facts that are of a “notorious character” and that are “capable of instant and unquestionable demonstration”. (MPEP § 2144.03(A)). It is improper to use Official Notice for conclusions of law.

Secondly, the Office Action relies on Official Notice as the “principal evidence” upon which the rejection of claim 32 is based. Official Notice cannot be used in this manner. As Section 2144.03(A) of the MPEP expressly warns, it is never appropriate to rely solely on Official Notice as the principal evidence upon which a rejection was based. Instead, Official Notice is only appropriate for facts and that serve to “fill in the gaps” in a rejection. (MPEP § 2144.03(A)). This is why official notice is to be judiciously applied. (MPEP § 2144.03). It is unreasonable to conclude that the Office Action has used Official Notice to “fill in” a gap in this rejection.

Thirdly, the Office attempts to take Official Notice of matter that is not “capable of instant and unquestionable demonstration”, as expressly required by section 2144.03(A) of the MPEP. Indeed, even assuming *arguendo* that the implied equivalence with the recited features is a fact, this fact would be neither of notorious character nor instantly and unquestionably demonstrable. Moreover, courts have long rejected the notion that Official Notice can be taken on the state of the art. (See *Memorandum to Patent Examining Corps from the Deputy Commissioner for Patent Examining Policy regarding Procedures for Relying on Facts Which are Not of Record as Common Sense or for*

Taking Official Notice, n.6, citing *In re Eynde*, 480 F.2d 1364, 1370, 178 USPQ 470, 474 (CCPA 1973)). Thus, the Office's attempt to officially notice the level of ordinary skill in the art is improper as a matter of law.

In sum, the Office's attempts at Official Notice are improper and traversed. Consequently, there are evidentiary gaps in the rejection of at least claim 32 that are fatal to a *prima facie* case of obviousness.

For at least this reason the rejection of claim 32 under § 103 constitutes legal error and must be reversed.

7. **Claims 147-148**

The rejections of claims 147 and 148 constitute legal error and must be reversed at least because the proposed taking of Official Notice is improper. Specially, taking Official Notice of a registration process wherein the user must register with the web site prior to bidding on or purchasing a gift certificate and (must) provide (identification and) demographic information is improper.

Claim 147 recites *inter alia* the following feature(s):

...wherein the user must register with the web site prior to bidding on or purchasing a gift certificate and provide demographic information.

Claim 148 recites *inter alia* the following feature(s):

...wherein the user must register with the web site prior to bidding on or purchasing a gift certificate and provide identification and demographic information.

By way of non-limiting example, the registration process may include providing identification and demographic information. See, *e.g.*, page 2, lines 11-13 and page 14, lines 14-20 of the Specification as originally filed.

The Office Action alleges "that is old and well known that many websites require user's [sic] to input demographic information during registration in order to better tailor

to user's [sic] needs. **This helps by [sic] maximizing the user's experience based on the collected data.**" (*emphasis added*) [See Office Action, 12].

Firstly, it is to be appreciated that the Examiner attempts to officially notice legal conclusions – namely the implied equivalence of "input demographic information during registration" with registering *prior to bidding on a gift certificate* and providing (identification and) demographic information. Official Notice, however, is only proper for facts. (MPEP § 2144.03).

Official Notice is only permissible for those few facts that are of a "notorious character" and that are "capable of instant and unquestionable demonstration". (MPEP § 2144.03(A)). It is improper to use Official Notice for conclusions of law.

Secondly, the Office Action relies on Official Notice as the "principal evidence" upon which the rejections of claims 147-148 are based. Official Notice cannot be used in this manner. As Section 2144.03(A) of the MPEP expressly warns, it is never appropriate to rely solely on Official Notice as the principal evidence upon which a rejection was based. Instead, Official Notice is only appropriate for facts and that serve to "fill in the gaps" in a rejection. (MPEP § 2144.03(A)). This is why official notice is to be judiciously applied. (MPEP § 2144.03). It is unreasonable to conclude that the Office Action has used Official Notice to "fill in" a gap in these rejections.

Thirdly, the Office attempts to take Official Notice of matter that is not "capable of instant and unquestionable demonstration", as expressly required by section 2144.03(A) of the MPEP. Indeed, even assuming *arguendo* that the implied equivalence with the recited features is a fact, this fact would be neither of notorious character nor instantly and unquestionably demonstrable. Moreover, courts have long rejected the notion that Official Notice can be taken on the state of the art. (See *Memorandum to Patent Examining Corps from the Deputy Commissioner for Patent Examining Policy regarding Procedures for Relying on Facts Which are Not of Record as Common Sense or for Taking Official Notice*, n.6, citing *In re Eynde*, 480 F.2d 1364, 1370, 178 USPQ 470, 474 (CCPA 1973)). Thus, the Office's attempt to officially notice the level of ordinary skill in the art is improper as a matter of law.

In sum, the Office's attempts at Official Notice are improper and traversed. Consequently, there are evidentiary gaps in the rejections of at least claims 147-148 that are fatal to a prima facie case of obviousness.

For at least this reason the rejections of claims 147-148 under § 103 constitutes legal error and must be reversed.

VIII. 37 C.F.R. §41.37(c)(1)(viii) - CLAIMS APPENDIX

Appendix A: The pending claims are attached in Appendix A.

IX. 37 C.F.R. §41.37(c)(1)(ix) - EVIDENCE APPENDIX

Appendix B: (None)

X. 37 C.F.R. §41.37(c)(1)(x) - RELATED PROCEEDINGS INDEX

Appendix C: (None)

CONCLUSION

For at least the foregoing reasons, Appellants respectfully request that the rejection of each of claims 1-10, 14-16, 23-33, 133-134, and 136-152 be reversed.

Date: August 31, 2012

Respectfully submitted,

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APPENDIX A

CLAIMS

1. (Previously Presented) A computer implemented method of using a web-site for reducing excess capacity during non-peak demand periods for a restaurant that experiences periods of peak demand and periods of non-peak demand, the method comprising the steps of:

providing a computer-implemented processing system comprising a plurality of modules;

providing an auction posting module for enabling one or more restaurants to post on the web-site dining incentives for auction, the dining incentives comprising a first dining incentive having restrictions comprising valid dates and times for use of the first dining incentive, the restrictions corresponding to a non-peak demand period of a restaurant offering the first dining incentive to reduce excess capacity of that restaurant during the non-peak demand period;

providing an auction display module for displaying options to enable users to place bids on dining incentives, including the first dining incentive, for auction or to purchase the dining incentives at fixed prices independent of the auctions without participating in the auctions;

processing a request for a fixed price purchase of the first dining incentive responsive to receipt of a request from a purchaser for a fixed price purchase of the first dining incentive;

processing auction bids, at the conclusion of auctions, to determine auction winners for auctioned dining incentives such that responsive to conclusion of an auction of the first dining incentive an auction winner for the first dining incentive is determined; and

providing the first dining incentive to the purchaser or the auction winner, wherein the first dining incentive is redeemable for service from the restaurant offering the first dining incentive during the non-peak demand period for a discount from a

predetermined price, subject to the restrictions, and non-winners and non-purchasers pay the predetermined price without the discount during the non-peak demand period.

2. (Previously Presented) The computer implemented method of claim 1 wherein the one or more restaurants set minimum bids for the incentives for dining that they offer for auction.

3. (Previously Presented) The computer implemented method of claim 1 wherein the one or more restaurants are a plurality of restaurants.

4. (Previously Presented) The computer implemented method of claim 1 wherein the step of displaying options to enable users to place bids on dining incentives for auction or to purchase the dining incentives at fixed prices without participating in the auction includes a registration process where each of the one or more users provides identification, demographic and service preference information.

5. (Previously Presented) The computer implemented method of claim 1 wherein the step of enabling one or more restaurants to post dining incentives for auction includes a registration process where the restaurants provide at least one or more of a restaurant description, meal description or facilities description.

6. (Previously Presented) The computer implemented method of claim 1 wherein a user can search for one or more auctions of interest by one or more of a restaurant name, cuisine type, location, specified time, or meal.

7. (Previously Presented) The computer implemented method of claim 1 wherein placing a bid on the first dining incentive includes placing a quantity of the first dining incentive amount and a bid amount.

8. (Previously Presented) The computer implemented method of claim 1 wherein placing a bid on the first dining incentive includes an auto-bid feature where a user submits a maximum bid amount and a bid increment amount where the bids are automatically incremented to the maximum amount as necessary.

9. (Previously Presented) The computer implemented method of claim 1 wherein the one or more restaurants specify the fixed prices for which a user can buy one of the dining incentives without participating in the corresponding auction.

10. (Previously Presented) The computer implemented method of claim 1 wherein a user can create a personalized auction page where the user creates an auction list comprising a list of one or more auctions of interest and monitors the one or more auctions of interest on the auction list.

11-13. (Cancelled)

14. (Previously Presented) The computer implemented method of claim 1 further comprising the step of enabling the one or more restaurants to display an advertisement for an auction at a premium space.

15. (Previously Presented) The computer implemented method of claim 1 further comprising the step of displaying a list of current auctions and enabling a user to participate in a current auction.

16. (Previously Presented) The computer implemented method of claim 1 wherein the one or more restaurants and a restaurant guide enables a user to search for one or more restaurants of interest by one or more of cuisine type, location, and price range.

17-22. (Cancelled)

23. (Previously Presented) The computer implemented method of claim 1 further comprising the step of enabling the one or more restaurants to track and monitor current bids on the one or more items posted by the one or more restaurants.

24. (Previously Presented) The computer implemented method of claim 1 further comprising the step of enabling the one or more restaurants to set an auction schedule where a designates a specified number of items to be auctioned at a specified time period.

25. (Previously Presented) The computer implemented method of claim 1 further comprising the step of enabling the one or more restaurants to create a survey for users to complete where users provide one or more of demographic, identification, and service preference information and where the information is used for targeted marketing and promotions.

26. (Previously Presented) The computer implemented method of claim 1 wherein bidding data and user information are aggregated and provided to the one or more restaurants to be used for at least one of: targeted marketing or promotions.

27. (Previously Presented) The computer implemented method of claim 26 wherein the user information includes sales history data.

28. (Previously Presented) The computer implemented method of claim 1 further comprising the step of enabling users to specify a preferred mode of information delivery from the one or more restaurants including one or more of email, a display at a personalized page on the web-site, and regular mail.

29. (Previously Presented) The computer implemented method of claim 1 further comprising the step of providing an account module where the one or more restaurants can monitor a number and type of items sold along with its account status with the web-site.

30. (Previously Presented) The computer implemented method of claim 1 further comprising the step of providing the one or more restaurants with a summary page outlining results of an auction for one or more items posted by the one or more restaurants.

31. (Previously Presented) The computer implemented method of claim 1 further comprising the step of receiving from the one or more restaurants a report indicating which winners redeemed auctioned items and which of the one or more purchasers redeemed purchased items.

32. (Previously Presented) The computer implemented method of claim 1 further comprising the step of enabling the winner and the one or more purchasers to download the item for redemption from the web-site or via electronic mail.

33. (Previously Presented) The computer implemented method of claim 1 wherein the winner pays for the item at the time of redemption and any amount over the value of the item.

34-132. (Cancelled)

133. (Previously Presented) A computer implemented method of using a web site for reducing excess capacity during non-peak demand periods for restaurants that experience periods of peak demands and periods of non-peak demands for a service that is offered at a predetermined price, the method comprising the steps of:

providing a computer-implemented processing system comprising a plurality of modules;

providing an auction posting module for enabling one or more of the restaurants to post on the web site a listing of at least one discounted gift certificate being offered for sale, including restrictions comprising valid dates and times for use of the at least one discounted gift certificate, the restrictions corresponding to a non-peak demand period of a restaurant to reduce excess capacity of that restaurant during the non-peak demand period; and

providing an auction display module for displaying options to enable users to place a bid on the at least one discounted gift certificate for auction and being determined a winner, or to purchase the one or more discounted gift certificates at a fixed price independent of the auction via an instant purchase feature without participating in the auction; and

providing the at least one discounted gift certificate to a purchaser or the auction winner, wherein the discounted gift certificates are redeemable for the service from a corresponding one of the one or more restaurants during the non-peak demand period for a discount from the predetermined price, subject to the restrictions.

134. (Previously Presented) The method of claim 133 wherein the one or more restaurants set a minimum bid for the one or more discounted gift certificates for auction.

135. (Cancelled)

136. (Previously Presented) The method of claim 133 wherein the web site includes an auction display feature, the auction display comprising one or more of a name of the restaurant, a description of the at least one discounted gift certificate, including a period of validity and a value, any minimum bid requirement, and a status of the auction, including a current bid and a time left for bidding.

137. (Previously Presented) The method of claim 133 wherein the web site includes a certificate display feature, the display comprising one or more of a restaurant name, a description of the at least one discounted gift certificate, a status of any auction for the gift certificate, and, an indication that the instant purchase feature is available and the fixed price.

138. (Previously Presented) The method of claim 133 wherein the web site includes an auction display feature, the auction display comprising a restaurant name, a description of the at least one discounted gift certificate, including a period of validity

and value, any minimum bid requirement, and a status of the auction, including a current bid and a time left for bidding.

139. (Previously Presented) The method of claim 133 wherein a single restaurant may simultaneously offer multiple gift certificates, and the web site includes an auction display feature, the auction display comprising one or more of a restaurant name, a number of gift certificates available, a description of the gift certificates, including a period of validity and a value, any minimum bid requirement, and a status of the auction, including a current bid and a time left for bidding.

140. (Previously Presented) The method of claim 133 wherein a single restaurant may simultaneously offer multiple gift certificates, and the web site includes an auction display feature, the auction display comprising a restaurant name, a number of certificates available from the restaurant, a description of the gift certificates, including a period of validity and a value, any minimum bid requirement, and a status of the auction, including a current bid and a time left for bidding.

141. (Previously Presented) The method of claim 133 wherein more than one restaurant can offer gift certificates through the same web site, the web site includes an auction display feature, the auction display comprising restaurant names, and for each restaurant, one or more of a description of gift certificates for each restaurant, including a period of validity and a value, any minimum bid requirement, and a status of the auction, including a current bid and a time left for bidding.

142. (Previously Presented) The method of claim 133 wherein more than one restaurant can offer gift certificates through the same web site, the web site includes an auction display feature, the auction display comprising names of the more than one restaurant, and for each restaurant, a description of the gift certificates being offered ,

including a period of validity and a value, any minimum bid requirement, and a status of the auction, including a current bid and a time left for bidding.

143. (Previously Presented) The method of claim 133 wherein more than one restaurant can offer gift certificates through the same web site, where each of the more than one restaurant may simultaneously offer multiple gift certificates, and the web site includes an auction display feature, the auction display comprising names of the more than one restaurant, and for each gift certificate, a number of gift certificates available, a description of the gift certificates, including a period of validity and a value, any minimum bid requirement, and a status of the auction, including a current bid and a time left for bidding.

144. (Previously Presented) The method of claim 133 wherein more than one restaurant can offer gift certificates through the same web site, where each restaurant may simultaneously offer multiple gift certificates, and the web site includes an auction display feature, the auction display comprising a restaurant name, and for each gift certificate, a number of gift certificates available, a description of the gift certificates, including a period of validity and a value, any minimum bid requirement, and a status of the auction, including a current bid and a time left for bidding.

145. (Previously Presented) The method of claim 133 wherein the user must register with the web site prior to bidding on or purchasing a gift certificate.

146. (Previously Presented) The method of claim 133 wherein the user must register with the web site prior to bidding on or purchasing a gift certificate and provide identification information.

147. (Previously Presented) The method of claim 133 wherein the user must register with the web site prior to bidding on or purchasing a gift certificate and provide demographic information.

148. (Previously Presented) The method of claim 133 wherein the user must register with the web site prior to bidding on or purchasing a gift certificate and provide identification and demographic information.

149. (Previously Presented) The method of claim 133 wherein the web site includes a restaurant search module.

150. (Previously Presented) The method of claim 133 wherein the web site includes a restaurant search module including an interactive restaurant guide.

151. (Previously Presented) The method of claim 133 wherein the web site includes a restaurant search module, the search module enabling a user to search for a restaurant by desired cuisine, zip code or other geographic area parameters or other search parameters.

152. (Previously Presented) The method of claim 133 wherein the web site includes a restaurant listing module, wherein the listing module provides a listing of restaurants by cuisine type, zip code or geographic area parameters or other listing parameters.

153-156. (Cancelled)

APPENDIX B

EVIDENCE APPENDIX

NONE

APPENDIX C

RELATED PROCEEDINGS INDEX

NONE